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**Higher Education & Workforce  
Education Committee**

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**2SSB 6326**

**Brief Description:** Providing a source of funding for customized work force training.

**Sponsors:** Senate Committee on Ways & Means (originally sponsored by Senators Shin, Rasmussen, Pflug, Doumit, Rockefeller, Weinstein, Pridemore, Hewitt, Jacobsen, Thibaudeau, Swecker, Sheldon, Oke, Keiser, Kohl-Welles, Franklin, Kline and Berkey).

**Brief Summary of Second Substitute Bill**

- Creates the Washington Customized Employment Training Program and appropriates \$5 million.
- Allows employers who pay into the program for employee training to receive a business and occupation tax credit for 50 percent of the value of their payments.

**Hearing Date:** 2/23/06

**Staff:** Jennifer Thornton (786-7111).

**Background:**

The Washington Competitiveness Council reported in 2004 that the ability of Washington businesses to remain competitive in a changing environment depends in large part on their ability to hire a well-trained and educated workforce. It recommended accelerating training for new workers, incumbent workers, and displaced workers in high-demand fields, including increasing capacity to provide customized training for businesses.

The state's Job Skills Program is Washington's only state-supported customized employer-based training program. The Job Skills Program is one of the smallest programs of its type in the country; it received \$2.95 million of state funding for the 2005-07 biennium, with a third of that amount directed specifically to the Boeing 787 project. It is administered by the State Board for Community and Technical Colleges (SBCTC). Businesses contribute a dollar-for-dollar cash or in-kind match to job skills funds received for training incumbent and new workers.

**Summary of Bill:**

The Washington Customized Employment Training Program is created to provide training assistance to employers locating or expanding in the state. The SBCTC administers the program.

An Employment Training Finance Account is created in the custody of the State Treasurer and receives a \$5 million appropriation.

Employers apply to the SBCTC for training allowances to cover the costs of training employees. No employer may receive more than \$500,000 per calendar year, nor may they receive more funds per employee than an amount determined by the SBCTC. To qualify, applicants must:

- enter into an agreement with a qualified training institution for customized training;
- pay one-quarter of the training allowance upon completion of the training;
- pay the remaining three-quarters of the allowance within 18 months; and
- employ, in-state in the calendar year after completing training, at least the same number of employees plus 75 percent of the number of trainees as they did the calendar year preceding the start of training.

Employers are allowed to receive a business and occupation tax credit for 50 percent of the value of their payments into the Employment Training Finance Account.

**Appropriation:** The sum of \$5 million from the State General Fund.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of session in which bill is passed.